

DRAFT: FOR DISCUSSION ONLY

ESTIMATED CALFED STAGE 1 NEW PROGRAM AND CAPITAL COSTS: BASIC ASSUMPTIONS

ECOSYSTEM RESTORATION

STATE: The \$390 million is Proposition 204 funding. FEDERAL: Of the \$385 million total, \$280 million is the remainder of the Federal Bay-Delta appropriation, and \$105 million is \$15 million per year for 7 years of CVPIA Energy and Water funds. USER: The \$36 million is the remainder of the \$811 million needed to fund the program in Stage 1. There is \$280 million available in user fees from the CVPIA Restoration Fund. A policy issue exists regarding the need for user fees to pay for future ecosystem restoration, and when these fees would become effective.

CONSERVATION

STATE: \$125 million is a sum which could reasonably be processed as conservation loans over the span of Stage 1. FEDERAL: No basis for a proposal at this time, but investment is anticipated. USER: \$675 million is an estimate of combined agricultural (\$140 million) and urban (\$535 million) investments in conservation on an ongoing basis.

RECYCLING

It was estimated that \$1 billion could reasonably be spent in Stage 1. This is one area where the level of user investment has not previously been recognized. The Federal share of \$250 million is consistent with the Title XVI 25% cost share formula for construction. The State share is proposed at \$250 million to be at parity with the Title XVI level of cost sharing. The user share of \$500 million completes the \$1 billion.

WATERSHED MANAGEMENT

Program consists of developing watershed conceptual models, providing watershed stewardship funds to local watershed groups, and implementing activities in the watersheds above the dams and local to San Francisco Bay that benefit restoration in the Bay-Delta system. The cost share split was developed assuming equal State and Federal shares of \$10 million per year for the first seven years. The User share includes \$105 million (\$15 million per year for 7 years) from user fees, and a \$25 million local share.

WATER QUALITY

The estimated cost is close to one third of the previously estimated cost over the 30 year span of the program. The State, Federal, and user shares are equally divided (approximately \$12 million per year) with the user share in this case being costs for those managing sources of pollution in the system, such as municipalities, agriculture and industry.

DELTA LEVEES

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The proposed cost sharing is basically a 50% Federal/50% State for planning, and a 65% Federal, 25% State, and 10% local split for levee improvements, consistent with the Federal cost sharing formula from the Water Resources Development Act of 1996, sect. 202 (PL 104-303) and proposing the 10% local share to ensure local participation.

STORAGE (OFF-STREAM, ON-STREAM & CONJUNCTIVE USE)

The user costs are an estimate of the level of user investment needed to develop approximately 500,000 acre-feet of groundwater banking capacity south of the Delta. The State and Federal costs are an estimate for the pre-permitting work for surface storage, including environmental review.

CONVEYANCE

Program consists of levee improvements, conveyance improvements, fish screens and test programs. The levee projects utilize the same cost sharing formula as described for the Delta Levee Management program. The basic plumbing of the South Delta improvements is user funded. The fish screens at Clifton Court and Tracy are 75% State and Federal funded, respectively, and 25% user funded. The Hood Test Diversion is proposed as equally divided funding because no other rationale appeared supportable at this time.

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